



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Integration Technologies Group, Inc.

File: B-274288.5

Date: June 13, 1997

David S. Cohen, Esq., and Laurel A. Hockey, Esq., Cohen & White, for the protester. Terence Murphy, Esq., Patrick H. O'Donnell, Esq., and L. Allan Parrott, Esq., Kaufman & Canoles, for ONYX Engineering, Inc., an intervenor.

Marian E. Sullivan, Esq., and Todd A. Anderson, Esq., Department of the Air Force, for the agency.

Paul E. Jordan, Esq., and Paul Lieberman, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Where award without discussions was contemplated by solicitation and two technically acceptable proposals were received, agency properly rejected a third offeror's proposal as technically unacceptable, without seeking correction of an apparent error in third offeror's proposal because the error was substantive and could not be corrected without discussions.

DECISION

Integration Technologies Group, Inc. (ITG) protests the award of a contract to ONYX Engineering, Inc. under request for proposals (RFP) No. F44650-96-R-0008, issued by the Department of the Air Force as a total small business set-aside. ITG contends that the Air Force improperly failed to seek clarification of a clerical error in ITG's proposal.

We deny the protest.

The RFP, issued in May 1996, sought up to 99 computerized multimedia presentation systems to be used in formal training classrooms and main briefing rooms located at flight operations squadrons throughout the Air Force's Air Combat Command. Award was originally made to Federal Services, Inc. in August 1996. General Projection Systems and Ultimate Presentations Systems filed protests against the award. In response to Ultimate's protest, the Air Force revised the solicitation and in December 1996 requested all offerors to submit revised proposals for evaluation.

The RFP advised offerors that the Air Force intended to evaluate the proposals and award the contract without discussions. Accordingly, offerors were expected to

submit initial offers containing the offeror's best terms from a technical and price standpoint. Award was to be made to the responsible offeror submitting the technically acceptable proposal at the lowest reasonable price.

The RFP contained a description of supplies/services which identified specific system characteristics. Among these characteristics was the following:

"The computer provided must [be able] to support CBT (Computer Based Training Programs) *The Video Card, MPEG Card, and operating systems must be compatible to drive software requirements for the existing CBT* The computer must have the specified MPEG card (Magic 24 Card) and the Stealth Video Card in order for it to be compatible to run existing high resolution Computer Based Training Programs (CBT)." [emphasis in original].

The RFP also instructed offerors to provide a "technical description of the items being offered in sufficient detail to evaluate compliance with the requirements of the solicitation." If an offeror proposed an "equal" product, the RFP required that the proposal "must demonstrate the **or equal** meets system characteristics to include manufacturer and all component part numbers." [emphasis in original]. The RFP also contained a matrix with a detailed listing of the required components which offerors were expected to fill-in and include with their proposals, the relevant part of which was as follows:

Component	Description	Manufacturer	Model
Video	Stealth 64 VRAM 3240/3400 V3.0	Cirrus Logic	
	Offerors Proposed Equal Mfr:		
	Part/Model Number:		
Video Memory	Upgrade Video to 2 MByte RAM		
	Offerors Proposed Equal Mfr:		
	Part/Model Number:		
MPEG	Magic 24 Card	Magic	
	Offerors Proposed Equal Mfr:		
	Part/Model Number:		

ITG was one of 12 offerors to submit revised proposals by the January 14, 1997, closing date. Instead of filling out the agency-provided components matrix, ITG retyped the table as follows:

COMPONENT	DESCRIPTION	MANUFACTURER/MODEL
VIDEO	STEALTH 64 VRAM 3240/3400 V3.0	DIAMOND 3240
VIDEO MEMORY	UPGRADE VIDEO TO 2 MBYTES RAM	
MPEG	MAGIC 24 CARD	DIAMOND, MUP

In evaluating ITG's proposal, the agency noted that ITG had not proposed the specified Magic 24 MPEG card. The Air Force was unfamiliar with the designation "Diamond, MUP" and surmised that ITG intended to propose "Diamond, MVP" which is an MPEG daughter card manufactured by Diamond for use with its video card. ITG had proposed the "Diamond, MVP" MPEG card in combination with the Diamond 3240 in its initial proposal. This mother-daughter, video-MPEG combination was not compatible with the required CBT programs and, prior to the December 1996 request for revised proposals, the Air Force had advised it that this component combination was technically unacceptable.

ITG's proposal was one of five proposals evaluated as technically unacceptable. Another five were considered susceptible of becoming acceptable through discussions. The ONYX proposal was one of only two proposals evaluated as technically acceptable as submitted. Since ONYX proposed the lower price, the contracting officer selected it for the award. After receiving a debriefing, ITG filed this protest, alleging that it had made a clerical error which the agency should have allowed it to correct through clarification.

Contracting officers are required to examine all proposals for minor informalities or irregularities and apparent clerical mistakes. Federal Acquisition Regulation (FAR) § 15.607. Where, as here, award without discussion is contemplated, the contracting officer is required to advise the offeror of the suspected mistake, request verification, and make the award if the offer is verified. FAR § 15.607(c)(1). If the offeror alleges a mistake, the contracting officer is to advise the offeror that it may withdraw the proposal or seek correction. FAR § 15.607(c)(2). If the offeror requests permission to correct a mistake, the agency head may make a written determination permitting the correction, provided that both the existence of the mistake and the proposal actually intended are established by clear and convincing evidence from the solicitation and the proposal. FAR § 15.607(c)(3). Verification, withdrawal, or correction is not considered discussion, but if correction of a mistake requires reference to documents, worksheets, or other data outside the

solicitation and proposal in order to establish the existence of the mistake, the proposal intended, or both, the mistake may be corrected only through discussions. FAR § 15.607(c)(5).

ITG contends that the reference to a "Diamond, MUP" for the MPEG card in its retyped components matrix was an obvious clerical error for which the Air Force was required to seek clarification from ITG. According to ITG, had the contracting officer advised it of the suspected mistake, ITG would have explained that "Diamond, MUP" had been typed on the wrong line and should have been typed on the video memory upgrade line. In this regard, ITG claims that "MUP" stands for "memory upgrade." While this would leave a blank space on the line for the MPEG card, ITG argues that its proposal otherwise made clear that it was offering the Magic 24 card. In this regard, ITG's proposal elsewhere states that the "computer will incorporate the required MPEG Card and Stealth Video compatible cards to run existing programs" and refers to its retyped components matrix. ITG argues that, since this correction would simply be a clarification and its proposed price is lower than ONYX's price, ITG would have received the award.

The Air Force, however, identified a different clerical error from that claimed by the protester. The Air Force believed the protester had simply typed in a "U" instead of a "V" in the designation "Diamond, MUP." The Air Force reached this conclusion based on ITG's proposal of the "MVP" item in its original (1996) proposal and the Air Force's unfamiliarity with the designation "MUP."¹ Thus, as submitted, ITG's proposal was technically unacceptable since it did not offer the required Magic 24 MPEG card or an acceptable substitute; the Diamond, MVP card is not compatible with the agency's computer programs. Correcting the error as identified by the Air Force would require allowing ITG to propose a qualified component to replace the Diamond, MVP card.

While ITG claims a different error, we agree with the Air Force that either error has a substantive impact on the technical acceptability of ITG's proposal. A substantive error can only be corrected through discussions, since discussions occur when an offeror is given an opportunity to revise or modify its proposal, or to provide information missing from a proposal that is essential for determining the acceptability of a proposal. Aquidneck Sys. Int'l, Inc., B-257170.2, Sept. 30, 1994, 94-2 CPD ¶ 122 at 5; FAR § 15.601.

¹The Air Force's lack of familiarity is understandable since Diamond Multimedia, Inc. does not manufacture a memory upgrade component designated as "MUP" and the term "MUP" is not a standard industry designation for "memory upgrade." While ITG observes that the Air Force did not learn this information from Diamond until after the protest was filed, ITG has submitted nothing to indicate that the "MUP" designation was correct at the time it submitted its proposal.

To correct the error identified by ITG would require more than the clarification it has suggested. Even after the "correction" outlined by ITG, its proposal would remain unacceptable since there would still be a blank space in its components matrix next to the MPEG card item, and without that blank filled in the proposal would remain technically unacceptable. Contrary to ITG's argument, reading the balance of its proposal does not supply the necessary missing information.

ITG argues that the appearance of the brand name "Magic 24" on its proposal represented an offer to furnish that item. However, the RFP included a components matrix with the name of the required items, including the words "Magic 24 Card" typed in under the heading of "Description." All ITG did was to retype that information on its own version of the form. The fact that "Magic 24" is a brand name does not represent a binding proposal of that item. Both the form included with the RFP and that typed by ITG clearly contemplated that the item actually being proposed would be in the column entitled "Model," and ITG's proposal, as "corrected," would be blank. In this regard, ITG also typed in "Stealth 64," another brand name, yet it offered an "equal" product manufactured by Diamond. Similarly, ITG's 1996 proposal included a retyped components matrix which listed "Magic 24 Card" under "Description," but listed "Diamond, MVP" as a proposed equal. It is clear from these examples that ITG's retyping the words "Magic 24 Card" as part of its replacement component matrix, did not represent a proposal to furnish that item.

Likewise, ITG's proposal statement that it would furnish the "required MPEG" card does not represent a binding offer to supply the specified Magic 24 Card. Where, as here, the RFP requires offerors to identify the components to be furnished, a blanket statement of compliance does not provide the agency with sufficient information to demonstrate that the proposal is technically acceptable. IPEC Advanced Sys., B-232145, Oct. 20, 1988, 88-2 CPD ¶ 380 at 3. Here, there was nothing else in ITG's proposal to indicate that it intended to furnish the Magic 24 Card. ITG's assertion is also suspect in light of its original proposal. There ITG made the same blanket statement regarding the "required card," yet clearly proposed a purportedly "equal" card which was, in fact, unacceptable. Thus, ITG's use of this statement in its revised proposal provides no assurance of its intent to provide the specified item.

Accordingly, correction of the error would have required a revision of its proposal beyond the simple clarification proposed by ITG; without the correction, ITG's proposal is unacceptable. Had the agency allowed ITG to make a complete correction, it would have had to open discussions with all offerors whose proposals were in the competitive range. Aquidneck Sys. Int'l. Inc., *supra*. While FAR § 15.607(c) calls for an agency to identify mistakes and notify offerors of their existence, nothing in this section requires an agency to allow an offeror to correct its mistake, where, as here, the proposal actually intended is not established by clear and convincing evidence from the RFP and the proposal submitted. FAR

§§ 15.607(c)(3) and (4).² An agency is not precluded from awarding on an initial proposal basis merely because an unacceptable lower offer could be made acceptable through discussions. Detroit-Armor Corp., B-225422, Feb. 26, 1987, 87-1 CPD ¶ 224 at 3-4. Since ITG's proposal was unacceptable as submitted, the Air Force properly awarded the contract to ONYX on the basis of initial proposals.

The protest is denied.

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²In light of the requirements of FAR § 15.607, we believe that the better course of action for the contracting officer would have been to contact ITG to point out the suspected mistake. However, as discussed above, had it done so, correction of ITG's mistake would have required discussions. Since we find that the agency was not required to conduct discussions, ITG was not prejudiced.